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## \$2 million owed sewer district written off, called uncollectible

### Many unpaid bills result of foreclosures

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*Plain Dealer Reporter*

Regional sewer officials on Thursday wrote off nearly \$2 million in bad debt — the bulk of it from residents who lost their homes in foreclosure or walked away from their final bills when they moved.

While the move was not unusual — the Northeast Ohio Regional Sewer District has written off accounts

deemed uncollectible in every year but one since 1994 — officials said it was a sign of the area's troubled economy. And they expect the bad debt to increase in coming years.

"We write off accounts going back six years," Julius Ciaccia, the district's executive director, told the group's board, which approved the action. "These are inactive accounts. We've exhausted our ability to collect, so we write them off our books."

Most of the 7,600 accounts date to 2003, said Jennifer Demmerle, the sewer district's finance director. The bad debt represents 2 percent of the district's accounts receivable. Dem-

merle said she expects district officials to go back to the board later in the year to write off bad debt from 2004 and 2005.

The district has set aside \$28 million to cover such losses, an amount Demmerle said she expects to grow as the write-offs begin to cover the years when the Cleveland area's economy was harder hit.

"Many of these are foreclosures," said Demmerle. "It's the second biggest amount," she said, making up 18 percent of the uncollectible accounts.

But about half the problem accounts belong to people who simply walked away from paying their final bills when

they moved.

The Cleveland Division of Water, which handles most of the billing for the 62 communities that make up the regional sewer district, doesn't require people to provide Social Security numbers, so finding them if they skip on their sewer bills can be difficult, sewer district officials said.

A new billing system installed at Cleveland Water in 2009 does a better job tying people to accounts, sewer district officials said. The department still doesn't require Social Security numbers on accounts, but "we have improved capabilities of tracking them," said Alan Seifullah, a spokesman.